



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/155C
S4/16C
S4/16/1C

15 November 2019

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Banking (Liquidity) (Amendment) Rules 2019

Further to our letter of 28 June 2019, I write to inform you that the negative vetting by the Legislative Council of the Banking (Liquidity) (Amendment) Rules 2019 (“BLAR”) has now expired. As a result, the BLAR will come into operation on 1 January 2020.

The main changes to the Banking (Liquidity) Rules are to (i) recognize Basel-compliant listed ordinary shares and triple-B rated marketable debt securities as “level 2B assets” and “liquefiable assets” under the Liquidity Coverage Ratio and the Liquidity Maintenance Ratio respectively; and (ii) implement a required funding requirement on total derivative liabilities under the Net Stable Funding Ratio and the Core Funding Ratio.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

cc: The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Ms Eureka Cheung)